

State of Michigan
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Department of Environmental Quality



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**Drinking Water Revolving Fund
Final Intended Use Plan
Fiscal Year 2004**

**Prepared by:
Revolving Loan and Operator Certification Section
Environmental Science and Services Division
and Water Division
September 2003**

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DWRF Final PPL for FY 2004
DWRF Final PPL Scoring for FY 2004

I. INTRODUCTION

Program details of Michigan's Drinking Water Revolving Fund (DWRF) are set forth in Part 54, Safe Drinking Water Assistance, MCL 324.5401-324.5421, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451).

The Michigan Department of Environmental Quality (DEQ), through the Environmental Science and Services Division (ESSD) and the Water Division (WD), administers the DWRF. In addition, the Michigan Municipal Bond Authority (Authority) is charged with administering DWRF funds through the Shared Credit Rating Act, 1985 PA 227, as amended, (Act 227).

The DWRF provides reduced interest rate loan financing to qualified water suppliers to finance construction of their waterworks system projects. Projects may include new wells, new water treatment plants, storage facilities, upgrades or expansions to existing facilities, transmission lines, pumping facilities, and other related waterworks system improvements. Suppliers must meet federal and state program requirements, as well as demonstrate their ability to publicly finance their project and retire project debt. In addition to the loan provided by DEQ, suppliers also have the option to pay for part of their project with cash and other resources.

The DWRF is a state-managed program. This Intended Use Plan (IUP) describes how the DEQ and the Authority will jointly administer the DWRF during Fiscal Year (FY) 2004. The Revolving Loan and Operator Certification Section (RLOCS) of the ESSD is charged with carrying out the program administration responsibilities. The WD will assess project priority, issue the necessary construction permits, and offer technical review and assistance throughout project planning, design, and construction. Financial administration of the program will be handled by the staff of the Authority.

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The Environmental Protection Agency (EPA) Region 5 staff will offer guidance and conduct annual program oversight reviews of the DWRF. The EPA serves as a helpful partner in creating and maintaining this program.

The relationship between the DEQ, the Authority, and the EPA is established in an Operating Agreement signed by authorized signatories from each agency. The Operating Agreement is incorporated into this IUP by reference and is available from the DEQ upon request.

This IUP includes detail on specific project funding and identifies amounts to be set aside from federal capitalization grants for other uses authorized under the federal Safe Drinking Water Act (SDWA) and Part 54 of Act 451. A Public Hearing for the IUP and the Project Priority List (PPL) was held on August 27, 2003, at 1:30 p.m., in Lansing, Michigan.

The DEQ certifies that it is recognized by the EPA as the primacy agency for management of the drinking water program. The priority system was developed and will be carried out each fiscal year by staff of the DEQ. The priority system is designed to provide assistance to those projects that will have the greatest impact in facilitating safe drinking water supplies.

II. STRUCTURE OF THE DWRF

The financing structure of the DWRF is similar to the State Revolving Fund (SRF). For water suppliers who are municipalities with bonding authority, this presents no significant challenges. The DWRF will sell tax-exempt revenue bonds to provide money that will be used to reimburse communities for incurred project costs. As the DWRF reimburses suppliers, federal funds from the capitalization grant and the required state match will be transferred into a debt service reserve account to provide coverage for the leveraged bond issue. As the DWRF project construction progresses, project funds will be disbursed to the supplier from the bonds sold.

However, for borrowers who are non-municipal entities, limitations on private activity for tax-exempt issues will require the DEQ and the Authority to fund private water suppliers from funds other than tax-exempt revenue bonds. These loans will be made as direct loans with a letter of credit supplied by the private borrower or through a partnership with a private lending institution with the State providing an insurance annuity. There are no private water suppliers on the FY2004 PPL.

There is a provision for subordinate investment of funds between the DWRF and the SRF. This concept permits the administrators of the two funds to make temporary investments from one fund or the other in the event that moneys are needed to service debt on the

state's tax exempt bond issues, cover deficiencies in a fund's reserve accounts, or satisfy other reserve account requirements. Only those funds periodically released from debt service reserve accounts, supplemental reserve accounts, revenue accounts, or any other account of the fund, wherein released moneys may be generated, may be used for the purposes of subordinate investment.

At each point that moneys are released, the DEQ and the Authority will undertake a "snapshot" look at both the SRF and the DWRF. For each fund, we will first examine whether we need to service debt or satisfy reserve account requirements within the fund from which the released moneys originated. Next, we will examine the other fund for the same conditions. Then, if sufficient moneys are available to satisfy requirements for each fund, the released money will pass completely through and become available for future commitments to new projects consistent with its source.

Set-asides in the DWRF are derived from the overall capitalization grant awarded to the state by the EPA. Set-asides are designated for specified uses within the DWRF to address areas of concern included in the reauthorization of the SDWA.

Legal provisions included in Act 227, permit the Authority and DEQ to establish accounts and sub-accounts within the DWRF to track revenues and expenditures for the set-asides. The set-asides for program and other activities will be directly administered by the WD. Staff of the WD will also be responsible for the technical assistance activities, except for those funds made available to subsidize loans to disadvantaged communities. The disadvantaged community loans will be managed by the RLOCS.

The following is a list of potential set-asides identified in Section 1452 of the federal SDWA.

DWRF Administration - 4 percent

Technical Assistance - 2 percent

Program Set-asides - 10 percent

- Public Water System Supervision
- Source Water Protection
- Capacity Development
- Operator Certification

Other Activities - 15 percent, not to exceed 10 percent for any one activity

- Loans for Source Water Protection
- Assistance for Capacity Development
- Implement Wellhead Protection

It is imperative to note that the Program Set-asides require a one-for-one state match, in addition to the regular 20 percent state match calculated on the entire amount of the federal capitalization grant. Thus, money diverted to these set-asides will demand a heavier investment of state or local funds.

III. ADVANTAGES OF THE DWRF

The primary advantage for Michigan water suppliers will be their ability to borrow funds at interest rates below market. The DWRF interest rate is established prior to each new fiscal year. As identified in Part 54 of Act 451, determination of the interest rates is based on demand, market conditions, program costs, and future needs.

In setting the interest rates for FY2004, the department will examine a widely used market index for general obligation municipal bonds to identify current market conditions existing at the time the IUP is prepared. Then, to establish a rate of interest for municipal borrowers, the DEQ will consider present and future demand for DWRF assistance and the cost of compliance.

Once the rate is determined for municipal borrowers, the resulting interest subsidy to municipalities would be used for private borrowers. If a private borrower chose to obtain a letter of credit and receives a direct DWRF loan from the Authority, the interest rate would be determined by using the U.S. T-bill rate as the base and applying an identical percentage reduction of interest as municipalities receive. For those private borrowers who chose to obtain financing through a financial institution, the interest rate would be the lending institution's rate charges, reduced by an identical percentage reduction as a municipality would receive.

The interest rate for municipal borrowers in FY2004 will be 2 1/8 percent. Private borrowers would receive an interest rate subsidy that equates to the same subsidy received by municipal borrowers.

Apart from the low interest rate, suppliers also benefit from the DWRF in that they can finance all eligible waterworks system costs. The major benefit results from the fact that water supply financing in the past has always been left to the local units of government or private entities. Historically, there has been no significant state financial assistance available to local officials in meeting water supply needs. The DWRF provides an ongoing source of funding to maintain or improve drinking water quality and public health.

IV. LONG-TERM GOALS

Michigan's DWRF establishes a funding source designed to protect and preserve public health within the state's boundaries. Michigan's geographical identity as a "Great Lakes" state affords its citizens with an abundant and high quality water resource from which to draw its drinking water. Unlike many states, Michigan water supplies are plentiful and periods of restricted use are few in most communities.

Given our abundant water resource, the greater challenge for water suppliers lies in protecting the high quality of the resource, as well as ensuring that adequate volume and pressure exist to deliver potable water to the customer.

Given the limitations on pooled capital, the DEQ will work toward establishing tighter integration of the federal, state, and local partnership. The DEQ continues to examine ways to work together with various federal and state agencies, such as Rural Development and the Michigan Economic Development Corporation, so that we may collectively fund qualifying projects and maximize use of our capital pool to achieve our stated goals.

Such partnerships will ultimately benefit everyone. Industry, tourism, and day-to-day quality of life are strengthened when our most valuable natural asset is preserved and made available for our use and enjoyment. To this end, Michigan's DWRF seeks the following:

- A. To maintain statewide compliance with all applicable state and federal drinking water laws, rules, and standards.
- B. To protect the public health and environmental quality of our state.
- C. To maintain source water assessment, wellhead protection, and source water protection programs.
- D. To develop strategies within the DWRF to assist smaller, economically disadvantaged communities in meeting drinking water standards.
- E. To promote the DWRF as a viable tool for use by Michigan water suppliers in financing their waterworks system improvements or upgrades.
- F. To secure Michigan's full share of federal funding and to expeditiously obligate these moneys, along with the state contributions, for the construction of eligible facilities which meet state and federal requirements.
- G. To develop effective partnerships with other federal and state financing sources to promote efficiency in environmental review procedures and coordination of funding.
- H. To apply a capacity assessment program for all new and existing community and nontransient noncommunity water supplies.
- I. To continue operator certification program requirements to assure proper operation and maintenance of public water systems.

V. SHORT-TERM GOALS

In order to accomplish the long-term goals, we must also focus on more immediate objectives. Therefore, our short-term goals in FY2004 are:

- A. To continue our outreach effort to publicize the DWRF through direct mail, electronic media, newsletter publication, and meetings.
- B. To continue implementation plans for source water protection focused on statewide surface water assessments, and groundwater assessments in areas tributary to the Great Lakes.
- C. To continue the state's wellhead protection program through the implementation of a matching grant program.
- D. To continue a technical assistance program for small communities.

- E. To fund projects identified on the PPL, enabling them to proceed during FY2004 with construction of facilities included in their adopted project plans.
- F. To continue to invite stakeholder participation in the development of administrative rules for conducting capacity assessments of certain public water supplies.
- G. To ensure that funded projects have reviewed and considered the security needs of the water system.

VI. ALLOCATION OF FUNDS

With Michigan's decision to utilize a leveraged DWRF bond program, the establishment of a fundable range for any given fiscal year entails a series of steps that culminate in a determination of how much leveraged borrowing fund resources can support. Using a series of interest rate assumptions (DWRF loan rate, return on investment rates, and revenue bond rate) this process for FY2004 is outlined below:

1. The DEQ reviewed the total amount of loans committed through September 30, 2003, and other draw amounts that affect the DWRF.

Total loan commitments through 9/30/03	\$270,400,000
Less reduction in loans for admin. complete projects	(\$ 3,549,392)
Less direct loan draws to date	(\$ 1,064,903)
Less total revenue bonds issued to date	<u>(\$250,435,000)</u>
Additional revenue bond amount needed	
to service existing loan commitments	\$ 15,350,705
2. To establish estimates of reserve fund capabilities, the DEQ assumed that new Federal capitalization and the required state match would remain constant for the next five years (for planning purposes only). These estimates were completed over a range of capitalization levels. (The current national budget recommendation for the DWRF in FY 04 is \$850 million.)
3. The DEQ then looked at how much the DRF could support in leveraged bond sales using a five-year forecast at varying capitalization levels. These analyses indicate the DEQ can leverage between \$38 million (no additional capitalization) and \$89 million (full Federal capitalization and required state match) each year for five years.

After subtracting an amount needed to service existing loans, fund resources could support between \$35 million and \$86 million in new loan commitments for FY 2004. Since the total amount of projects seeking DWRF loans in FY 2004 is estimated at \$87.75 million (amount taken from the PPL), the SRF fundable range is expected to extend through the entire priority list in FY 2004.

The governor of each state may, at his or her discretion, transfer 33 percent of available moneys between the SRF and the DWRF programs. This may occur starting one year after a state receives its first capitalization grant for project funds. At this time, there is not a proposal to directly transfer moneys between the programs.

VII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS - SET-ASIDES

The DEQ has established the set-aside percentages based on what it can utilize within the fiscal year. The split of moneys is structured to meet not only expected needs (e.g., 4 percent for administration), but also to target programs that can help suppliers prepare themselves to qualify for DWRf loans (e.g., technical assistance funds used to defray planning loans).

Source Water Assessment

The Source Water Assessment set-aside was only available from the FY1997 federal appropriation. Since expenditures are allowed from this set-aside over several years, the DEQ work plans include expenditures for Source Water Assessment during FY2004, but these efforts will not consume funds from the FY2004 capitalization grant.

Work is well underway on Source Water Assessments Program. The state submitted the program for approval by the EPA in accordance with the February 1999 deadline. Each local health department is contracting for fieldwork, and the Michigan State University and the Groundwater Education in Michigan centers are under contract at this time. The DEQ also has contracts with the U.S. Geological Survey and an agreement with the city of Detroit to perform source water assessments for the surface waters of southeast Michigan.

The Michigan Source Water Assessment Program will have to address over 10,000 noncommunity public water supplies in addition to the estimated 1,500 community public water supplies. Thus, the program must be specific to Michigan's needs, establishing priorities for the work to achieve completion within the permitted time while making use of available resources.

This program will be completed by January 1, 2004, and all remaining funds will be transferred to the wellhead protection set-aside as directed by USEPA. The state is on schedule to complete all assessments by January 1, 2004.

Proposed Set-Asides from the FY2004 Appropriation

Administration

Up to 4 percent of the federal capitalization grant can be used to administer the fund. Michigan intends to utilize and/or bank the full 4 percent (including state match), which for FY2004 is estimated at \$1,585,503. Any funds not utilized in FY2004 will be retained on account for administration in future years.

Technical Assistance

The Technical Assistance set-aside program for FY2004 amounts to \$674,000. The DEQ has a contract with a technical service provider for various types of technical assistance to public water suppliers serving a population less than 10,000. The contract began in FY1999 and will be complete in February 2004. The technical assistance includes operator training, direct on-site technical assistance for system operation at community and noncommunity water supplies, and assistance with documents, community plans, and procedures to apply for DWRf assistance. For FY2004, we are

also expecting the contractor to perform some source water assessments at small community public water systems without an approved wellhead protection program and to work with some selected nontransient noncommunity systems to assess and assist with arsenic compliance. The amount remaining in the contract for FY2004 is \$120,000.

We have added some new technical assistance activities for FY2003, and expect to continue this work in FY2004. They include direct financial planning assistance to certain small community water systems considered "deficient" following a sanitary survey; and targeted water quality monitoring at certain public water systems and drinking water treatment waste storage facilities. These activities will be performed by existing state staff at an estimated cost of \$100,000.

The DEQ will also use technical assistance set-aside funds to the extent funds are available, to pay for project planning costs for disadvantaged communities with less than 10,000 people who apply for DWRF assistance. The projected amount available is \$454,000.

The administration and technical assistance set-asides taken from previous capitalization grants will be combined with FY2004 set-aside funds for reimbursements expected in FY2004.

Program Set-Asides - \$1,175,000

The DEQ intends to continue three programs in FY2004 using three program set-asides. The additional required matching funds will be provided through the Public Water System Supervision Program from state General Fund and Restricted Fund (Fee) revenue. The following is a breakdown of the \$1,175,000 projected amount:

Capacity Development - State staff, augmented by contracts for services with local health departments, will be used to implement the program based upon EPA final guidance and our policies for new systems.

The Michigan Safe Drinking Water Act, 1976 PA 399 (Act 399), Amendments of 1998, provides authorization to conduct the program. The amendments allow the department to apply capacity assessment criteria to new community and nontransient noncommunity public water supplies and to selected existing systems under a state strategy. In FY2002, 71 new nontransient noncommunity water systems were approved by local health departments under contract for a cost of \$10,650. A similar amount is estimated for FY2004. The state also applies capacity development requirements to DWRF applicants.

The DEQ developed program guidance in FY2000 for statewide application in the same FY, using stakeholders for public participation. Professional services were particularly valuable in areas where staff lacked expertise, such as financial capacity analyses. The total project amount to be expended is \$450,000, with the federal share being \$375,000.

Source Water Protection – The DEQ utilizes 2 Full Time Employees (FTEs) to administer and conduct a statewide, comprehensive Abandoned Well Management Program. There are four components to the program: data management, state cost share grants, public education, and enforcement. The

total project amount for this activity has been \$225,000, with the federal share being \$187,500.

Beginning in FY2002 and continuing through FY2003, the DEQ administered 36 state matching grants encumbering \$1.2 million in Clean Michigan Initiative (CMI) bond funds for communities to locate and plug abandoned wells identified inside their wellhead protection areas. This first round of Abandoned Well Management (AWM) grant projects will be completed in FY2004. A second round of AWM grant projects encumbering an additional \$2.4 million is proposed for authorization in FY2004.

A statewide abandoned well public education and enforcement program is conducted by the DEQ utilizing 43 local public health department (LHD) basic services contracts. The DEQ provides training, technical support to the LHDs involving abandoned well plugging requirements, and provides public education materials for distribution.

The DEQ has developed an on-line, computerized data management system (the Wellogic data system) for active and abandoned wells. One FTE funded through this set-aside is utilized to assist with development, maintenance of the Wellogic data system, and to provide training for system users.

Operator Certification - The ESSD will administer the program through expansion and improvement of the existing waterworks operator certification program.

EPA approved the operator certification program in July 2001. Based upon the activities required for continued program approval, the DEQ has estimated the costs to expand the program. Operator training is also included with this program.

We previously received approval of 3.0 additional FTEs to administer the program at an estimated annual cost of \$260,000. Temporary staff will use an estimated annual cost of \$20,000. The remaining funds (\$220,000) will be used for top priority activities in the program, which include data management equipment, support services for record keeping and compliance tracking, and new testing requirements and procedures for noncommunity operators and community systems which, include exam validation. We initiated the purchase of exam materials and grading services through third-party vendors in FY1999, and will continue this activity. The total project amount for these program elements is \$500,000, with the federal share being \$416,667.

Wellhead Protection (Section 1452(k)) - \$1,000,000

The DEQ has authorization under the Act 399 Amendments of 1998, to implement a wellhead protection matching grant program to enhance the existing voluntary state program. The DEQ hired two staff in FY1998 to administer the program. Administrative rules have been passed using a stakeholder process.

One staff administrator and support cost at approximately \$100,000 are part of the funding. The remaining dollars are used for wellhead protection grants. The grant funds are matched 100 percent by public water supplies. Thus, 50 percent of costs will be funded by the grant, while the local supplier provides 50 percent from its own resources.

The program emphasis is scientific delineation of wellhead protection areas and obtaining state approval for complete wellhead protection programs. Implementation activities are also eligible, but are a lower priority.

Fiscal Year	Number of Communities	Grant Dollars Awarded
1999	54	\$1,014,044
2000	62	\$1,080,390
2001	66	\$1,044,266
2002	85	\$1,286,589
2003	84	\$1,260,180

The money will be used for educational materials and training, program staff, and wellhead protection grants. The total project amount to be used is \$1 million, with the federal share being \$833,333.

VIII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS - PROJECT LOANS

Michigan's DWRF will commit loans for qualified projects based on project plans that were submitted to the RLOCS by May 1, 2003. Plans were reviewed by staff of the DEQ to ensure compliance with Section 5405 of Act 451, before being placed on the PPL for FY2004. The DWRF must, to the maximum extent practicable, give priority to projects that:

- address the most serious risks to human health,
- are necessary to ensure compliance with the requirements of the federal SDWA,
- and assist systems most in need according to the state's affordability requirements.

Michigan's priority system takes these factors into account in the assignment of priority points. Acute violations receive a larger number of points than any other category. In fact, standard compliance offers over 41 percent of a project's total possible points. All factors point to the need for the project to comply with federal drinking water requirements, affordability is addressed by the award of additional points for disadvantaged community status, and in the ultimate tiebreaker. Michigan's priority point system is detailed in Section 5406 of Act 451.

The DWRF has 22 projects totaling \$167.8 million are included on the FY2004 PPL. This includes six projects and/or segments equaling \$80 million that will be considered for funding in the future. The FY2004 PPL is included as part of the IUP process and was presented as part of the public hearing.

Section 1452(a)(2) of the federal SDWA requires the state to first make available 15 percent of all funds annually credited to the DWRF for financial assistance to water suppliers serving fewer than 10,000 persons. For FY2004, Michigan must reach or exceed \$5,945,635 to satisfy this requirement.

All projects are reviewed and scored based upon the priority point system outlined in Part 54 of Act 451. Funds are made available for commitment based on the priority ranking and projects will only be funded out of order to satisfy requirements for small community assistance.

Employing the criteria found in Section 5415 of Act 451, the Director of the DEQ will establish the interest rates for FY2004. The term of the loan will run up to 20 years for most projects. Those suppliers meeting disadvantaged community criteria will, however, be able to extend their terms for up to 30 years, if they desire.

Part 54 of Act 451 also permits suppliers serving less than 10,000 persons to receive reimbursement of project planning costs upon delivery of an approvable project plan to the DEQ. Legislation has been passed to provide a funding mechanism for this reimbursement. Interim planning loans first became an option for DWRF applicants in FY2001.

IX. DISADVANTAGED COMMUNITY STATUS

Disadvantaged community status is determined by the DEQ based on information submitted with a supplier's project plan. To qualify, an applicant must first meet the definition of "municipality" found in Part 54 of Act 451. Next, the updated median annual household income (MAHI) of the area to be served must be less than 120 percent of the state's updated MAHI. Finally, the costs of the project must be borne by the customers in the service area. If costs are spread over a larger area, then that area must demonstrate that it meets the poverty or affordability criteria.

Once these conditions are met, a community will be awarded the disadvantaged community status if one of the following is true:

- More than 50 percent of the area to be served by the proposed project is identified as a poverty area by the U.S. Census Bureau.
- The updated MAHI of the area to be served is less than the most recently published federal poverty guidelines for a family of four in the contiguous United States.
- The updated MAHI is less than the updated statewide MAHI and the annual user costs for water supply exceed 1.5 percent of the service area's MAHI.
- The updated MAHI is more than the updated statewide MAHI and the annual user costs for water supply exceed 3 percent of the service area's MAHI.

The major benefits for qualified communities include 50 additional priority points, extension of loan terms to 30 years, and assistance to help defray the costs of preparing project plans.

A complete discussion of the disadvantaged community status may be found in a guidance document prepared by the DEQ to more fully explain how a supplier can achieve the status and benefit by it.

X. EPA AUTOMATED CLEARINGHOUSE ACTIVITIES

The EPA employs an Automated Clearinghouse (ACH) to make disbursements of federal funds to the DWRF. Michigan will comply with this system and deposit funds drawn from it into appropriate accounts set up for the DWRF.

In FY2004, Michigan anticipates drawing capitalization grant funds from the ACH according to the following schedule:

1st Quarter - \$8,250,000
2nd Quarter - \$8,250,000
3rd Quarter - \$8,250,000
4th Quarter - \$8,250,000

As project costs (or program administrative/set-aside costs) are incurred, one request for disbursement may be submitted by the local project's authorized representative (or state agencies) each month. The request for disbursement of funds will be sent directly to the DEQ, who will then process the request as part of a weekly draw request. Upon delivery to its office, the Authority will execute the fund drawdown electronically by transferring money from the federal ACH and state accounts.

Moneys will be automatically deposited into the debt service reserve account of the DWRF, while funds are electronically wired to a municipal water supplier's bank from a DWRF account. For non-municipal water suppliers, the funds will be transferred from direct federal and state capitalization amounts established specifically for the purpose of reimbursing their eligible project costs.

XI. ASSURANCES

The final guidelines from the EPA set forth provisions that the state must provide certain assurances in order to qualify for capitalization grant funding. Such assurances are incorporated into the Operating Agreement and are included here by reference.

XII. PUBLIC REVIEW AND COMMENT

In order to satisfy public participation requirements, the DEQ held a public hearing to discuss the IUP on August 27, 2003, at 1:30 p.m. A public hearing notice was published in the Detroit Legal News, the Lansing State Journal, and the Marquette Mining Journal; posted on the DEQ calendar of events; mailed to all persons and engineering firms on our newsletter mailing list, and individually noticed to each water supplier on the FY2004 PPL. These sources promote the hearing to ensure maximum public input from those interested in the DWRF. The hearing affords stakeholders and other interested parties an opportunity to hear and comment on how the DEQ plans to disburse the DWRF loan moneys. All comments will be responded to upon the close of the hearing record.

Questions about the IUP may be directed to:

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XIII. ORIGINATION OF DOCUMENTS

The Chief of the Environmental Science and Services Division, Department of Environmental Quality, is responsible for issuing the IUP. The IUP and its accompanying information are prepared by the RLOCS. It is a collaborative effort of WD and ESSD/RLOCS staff that provides the data for its development.



Fiscal Year 2004 Project Priority List By Rank

Rank	Project Number	Project Name and Description			Population	Point Total	Bind. Com Date	Bind. Com Amount
PROJECTS WITHOUT PRIOR YEAR SEGMENTS								
1	7027-01	Ontonagon	Ontonagon Co	New WTP, conn main, ext for consolidation (refinance)	3,446	915	9/2/2004	\$6,700,000
2	7140-01	Owosso Twp./Caledonia Twp.	Shiawassee Co	New wells, WTP, ps, elev strg tanks, mains	1,000	845	9/2/2004	\$15,790,000
3	7141-01	Independence Twp	Oakland Co	New wells, trt, stor, repl mains, looping	12,552	765	9/2/2004	\$17,000,000
4	7133-01	Armada	Macomb Co	New WTP, new well, repl mains, looping	1,573	670	9/2/2004	\$3,475,000
5	7139-01	Carsonville	Sanilac Co	Repl mains, looping,	502	670	3/9/2004	\$1,410,000
6	7130-01	Adrian	Lenawee Co	New wells	22,172	615	Future	\$3,230,000
7	7142-01	Muskegon	Muskegon Co	WTP upgrd/expnd; looping; strg/ps imp	61,500	475	3/9/2004	\$20,665,000
8	7146-01	Ann Arbor	Washtenaw Co	Repl mains	118	470	3/9/2004	\$860,000
9	7134-01	Elkton	Huron Co	Repl mains, looping	963	420	3/9/2004	\$935,000
10	7143-01	Mount Clemens	Macomb Co	Upgrd trt, repl mains, rehab stor tank	18,778	365	3/9/2004	\$4,100,000
11	7145-01	Jackson Co	Spring Arbor Twp	Loop mains	3,500	345	6/8/2004	\$3,100,000
12	7010-04	Sault Ste Marie	Chippewa Co	Segment C - future	14,689	340	Future	\$5,920,000
13	7123-01	Ypsilanti	Washtenaw Co	Repl mains - City	73,132	325	3/9/2004	\$5,040,000
14	7094-01	Clinton	Lenawee Co	New iron removal facility	2,475	320	Future	\$505,000
15	7135-01	East Jordan	Charlevoix Co	New iron removal facility; repl main	2,507	320	6/8/2004	\$665,000
16	7147-01	Port Huron	St. Clair Co	Water main repl. - CSO Area 35	32,338	315	3/9/2004	\$1,700,000
17	7132-01	Port Huron	St. Clair Co	Water main repl. - non CSO Area, Part A	32,338	315	3/9/2004	\$420,000
18	7119-01	Port Huron	St Clair Co	WTP filter backwash handling system	32,338	315	Future	\$2,100,000
19	7131-01	Port Huron	St Clair Co	Future phases; repl mains; looping	32,338	315	Future	\$62,300,000
20	7136-01	Brighton	Livingston Co	Rehab WTP, repl mains	7,080	305	11/25/2003	\$2,200,000
21	7020-01	Flint	Genesee Co	Repl mains; looping	138,450	300	Future	\$6,000,000
22	7137-01	Beverly Hills	Oakland Co	Repl mains	10,437	215	3/9/2004	\$3,690,000
22	Projects							\$167,805,000